

Probe to Include GOP Donations

PR Firm Hired by Tribes Gave \$500,000 to Governors Group

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A Senate committee investigating millions of dollars in fees paid to powerful Republican lobbyist Jack Abramoff and public relations executive Michael Scanlon also plans to examine \$500,000 in contributions from Scanlon's firm to the Republican Governors Association.

The money was paid by Scanlon's firm, Capitol Campaign Strategies, to the RGA in the closing months of the 2002 election. But it was not disclosed until the association filed "amended" financial reports on April 27 of this year.

RGA officials said the failure to report the donation and thousands of dollars of other contributions was an accounting error. The two contributions to Capitol Campaign Strategies, which totaled \$500,000, were the single largest contributions that went unreported.

The money was received at a time when the RGA changed its legal status from an arm of the Republican National Committee to an independent organization free to receive large "soft money" contributions from corporations, unions and others.

Scanlon, a former aide to House Majority Leader Tom DeLay (R-Tex.), and Abramoff, a top Republican lobbyist and adviser to DeLay, are both under investigation by the Senate Commerce Committee. The panel, under the direction of Sen. John McCain (R-Ariz.), is seeking to determine the legality of \$45 million paid by Indian tribes to the pair for lobbying and public affairs work.

The FBI is also conducting a public corruption investigation of Scanlon's and Abramoff's work for the tribes to determine whether tribal leaders or staff members were provided inducements in return for signing lobbying and public relations contracts, according to government and tribal sources.

A source familiar with the Senate committee's probe, who spoke on the condition of anonymity because the investigation is confidential, said investigators want to know whether any part of the \$500,000 came from an Indian tribe with casino interests that might be interested in taking sides in a gubernatorial contest.

Scanlon did not respond to requests for comment left on his cell phone voice mail and at his office on Capitol Hill. His attorney, Stephen L. Braga, said the money came from Scanlon and there is nothing in financial records showing that funds were transferred from a casino-owning tribe through Scanlon. Pamela J. Marple, one of Abramoff's attorneys, did not respond to a request for comment.

The Capitol Campaign Strategies money was delivered in two contributions of \$250,000 each on Oct. 17 and Oct. 22, 2002. Other contributions from that year that went unreported until last month include \$300,000 from the United Brotherhood of Carpenters and Joiners.

On Oct. 21, 2002, the RGA reported two transfers of cash to the Republican National State Elections Committee, a soft-money arm of the RNC. One was for \$450,000, the other for \$2 million.

From Oct. 17 to Oct. 31, 2002, the RNC's state elections committee sent seven checks to the Alabama Republican Party for a total of \$603,000 and five checks to the Bob Riley's campaign for Alabama governor for \$600,000.

Riley, the Republican who won the governorship, opposes legalized gambling. One of Scanlon's and Abramoff's most lucrative clients has been the Mississippi Band of Choctaw Indians, which paid Abramoff's law firm \$5.34 million in publicly reported lobbying fees between 2001 and 2003. The Choctaws run a casino near Philadelphia, Miss., about 50 miles from the Alabama border, that attracts many gamblers from Alabama.

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Riley's opponent, then-Gov. Don Siegelman (D), was widely viewed as more sympathetic to opening the state to gambling.

Riley spokesman Jeff Emerson told the Birmingham News that the governor did not know where the RGA raised money and that Riley held no talks with gambling interests.

Harvey Valentine, spokesman for the RGA, said the failure to report the Capitol Campaign Strategies contributions and other gifts to the RGA was attributable to an "accounting error."

Valentine said that in late 2002, the RGA shifted from being an affiliate of the RNC and became a separate "527" committee under the Internal Revenue Service code in order to be able to continue to receive "soft money" in compliance with the McCain-Feingold campaign finance law.

The error occurred in the process of shifting to 527 status and was discovered only during a recent audit, Valentine said. Valentine said the RGA did not accept the money from Capitol Campaign Strategies with instructions to give it to the Riley campaign.

"We don't earmark contributions," he said. "We received a contribution that was appropriate to receive, and we spent it." Marty Connors, chairman of the Alabama Republican Party, said the state GOP "does not take and has never taken any gambling money."

"When we got money through the RGA, we were grateful, but we didn't ask where they solicited it from," Connors said.

Staff writer Susan Schmidt contributed to this report.

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